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ORIGINAL

S.A.

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CHARLES H. COOK  
OF COUNSEL

TELEPHONE (803) 771-0555  
FACSIMILE (803) 771-8010

September 28, 2005

Mr. Charles Terreni  
Chief Clerk of the Commission  
SC Public Service Commission  
P. O. Drawer 11649  
Columbia, SC 29211

RECEIVED  
SEP 28 PM 3:05  
SC PUBLIC SERVICE  
COMMISSION

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9/29/05  
Ted

RE: Midlands Utility, Inc. Performance Bond and Letter of Credit in Favor of the Public Service Commission. Docket No. 2004-297-s

Dear Mr. Terreni:

Enclosed for filing on behalf of Midlands Utility, Inc. (MUI) please find the original and one (1) copy respectively of Performance Bond and Irrevocable Standby Letter of Credit Number [REDACTED] both dated September 26, 2005, to replace the existing Performance Bond and Surety currently on file with the Commission.

This filing is being made pursuant to Order No. 2005-168 date April 6, 2005 in the above-captioned docket and, as required therein provides for the amount of the bond to be provided on behalf of MUI for the benefit of the Commission totaling One Hundred Thousand and no/100ths Dollars (\$100,000.00). Please note that MUI does not, by this filing, intend to waive any rights it may have with respect to judicial review as to other portions of Order No. 2005-168.

Please acknowledge receipt of these documents by date-stamping the extra copy of the filing enclosed and returning it to our courier. All parties of record are being served by copy with certificate of service attached.

Should you have questions please advise. Thank you.

Very truly yours,

ELLIOTT & ELLIOTT, PA

*Charles H. Cook*  
Charles H. Cook

RECEIVED

SEP 29 2005

PSC SC  
DOCKETING DEPT.

CHC  
Enclosures

**PERFORMANCE BOND**

**LETTER OF CREDIT**

ORIGINAL  
RECEIVED  
2005 SEP 28 11 31 AM  
SC PUBLIC SERVICE  
COMMISSION

KNOW ALL MEN BY THESE PRESENTS, that MIDLANDS UTILITY, INC., designated as “principal,” is held and firmly bound unto the Public Service Commission of South Carolina, designated as “obligee,” in the penal sum of One Hundred Thousand Dollars (\$100,000.00) for the payment of which well and truly to be made, the principal binds itself, its successors and assigns, firmly by these presents.

WHEREAS, in accordance with the provisions of S.C. Code Ann. 58-5-720 (1976 as amended), the principal has delivered to the Commission a Letter of Credit, with such statement as required by the Commission, of a federal or state chartered bank, or of a savings and loan association which maintains an office in the State and whose accounts are insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and

WHEREAS, the obligee has granted the principal a certificate of public convenience and necessity and approved a schedule of rates for sewer service in areas shown on operating area maps filed with the obligee, and

WHEREAS, this bond and the Letter of Credit, when approved by the obligee, conditioned as in said 58-5-720, are to cover any and all liability, which may arise as a result of the principal failing to provide adequate and sufficient service within its service area as prescribed in 58-5-720, and

WHEREAS, the obligee, upon notice and hearing, shall have the right to declare all or any part of the bond and the Letter of Credit forfeited upon a determination by the obligee that the principal shall have willfully failed to provide such service as prescribed above, without just cause or excuse, and that such failure has continued for an unreasonable length of time, and

WHEREAS, the liability under the terms of this bond and the Letter of Credit are hereby extended so as to include any fines or penalties imposed or assessed by the obligee against the principal under the provisions of S.C. Code Ann. 58-5-710 (1976 as amended) and

WHEREAS, in the event that any judicial action or proceedings are initiated with respect to this bond or the Letter of Credit, the parties hereby agree that the venue thereof shall be Richland County, State of South Carolina, and

WHEREAS, this bond shall become effective on the date executed by the principal, and shall continue from year to year unless the obligations of the principal under this bond is expressly released by the obligee in writing, and

WHEREAS, the Letter of Credit shall be renewed immediately upon its expiration date, if any, and

WHEREAS, the obligee upon notice and opportunity to the principal to be heard, may order that the face amount of this bond to be changed within the limits set forth in S.C. Code Ann. 58-5-720 (1976).

NOW THEREFORE, in testimony whereof, said principal has hereunto subscribed his name this 26th day of September 2005.

IN THE PRESENCE OF:

Jean H. Patterson

MIDLANDS UTILITY, INC.

Keith G. Parnell

**BY: KEITH G. PARNELL**

**TITLE: PRESIDENT**

(corporate seal)

**BRANCH BANKING AND TRUST COMPANY OF SOUTH CAROLINA**

ADDRESS: 309 COLUMBIA AVE LEXINGTON, SC 29072-2664

PHONE NUMBER: 803-359-1705

CONTACT NAME: ERIC JEWELL

**IRREVOCABLE STANDBY LETTER OF CREDIT**

LETTER OF CREDIT NO. [REDACTED]

DATE 09/26/2005

ADVISING BANK

APPLICANT

MIDLANDS UTILITY INC  
816 E MAIN ST  
LEXINGTON, SC 29072-3612

BENEFICIARY

AMOUNT

STATE OF S C, THE PUBLIC SERVICE COMM.  
101 EXECUTIVE CENTER DR, SYNERGY BUS. PK  
COLUMBIA, SC 29210-0000

\$100,000.00

EXPIRY DATE

09/26/2006

(FOR PRESENTATION  
AT OUR COUNTERS)

GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR

AVAILABLE BY YOUR DRAFT(S) Sight

DRAWN ON: "BRANCH BANKING &amp; TRUST COMPANY OF SOUTH CAROLINA"

DRAFT(S) MUST BE MARKED - "DRAWN UNDER BRANCH BANKING AND TRUST COMPANY OF SOUTH CAROLINA CREDIT NO. [REDACTED]"

WHICH MUST BE ACCOMPANIED BY THIS LETTER AND THE FOLLOWING DOCUMENTATION:

**SPECIAL INSTRUCTIONS**

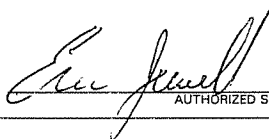
SEE EXHIBIT "A"

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

WE HEREBY ENGAGE WITH BENEFICIARY THAT DRAFTS PRESENTED IN CONFORMITY WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION AT OUR COUNTERS AND THAT DRAFTS ACCEPTED WITHIN THE TERMS OF THIS CREDIT WILL BE DULY HONORED AT MATURITY.

VERY TRULY YOURS

BRANCH BANKING AND TRUST COMPANY OF SOUTH CAROLINA



AUTHORIZED SIGNATURE

ACCOUNT# / NOTE#



**BENEFICIARY'S DRAWS UNDER THIS LETTER OF CREDIT:**

DATE

AMOUNT

SIGNATURE OF BANK OFFICER  
APPROVING DRAW

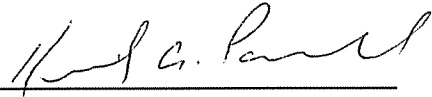
[illegible]

**ACKNOWLEDGEMENT OF PRINCIPAL**

**STATE OF SOUTH CAROLINA**

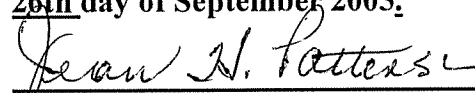
**COUNTY OF RICHLAND**

On September 26, 2005, Keith G. Parnell came before me personally, to me known, and who being by me duly sworn, did depose and state; that he is the President of Midlands Utility, Inc. the Corporation which executed the foregoing instrument; that he knows the seal of said Corporation, that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said Corporation, and that he signed his name to said instrument by like order.

  
\_\_\_\_\_

SWORN to before me this

26th day of September 2005.

 (L. S.)  
\_\_\_\_\_  
Notary Public for South Carolina

My Commission Expires: 9-16-2012

\_\_\_\_\_  
(Affix seal if not South Carolina Notary Public)

## EXHIBIT "A"

Issued in Favor of Midlands Utility Inc

Beneficiary	State of South Carolina The Public Service Commission 101 Executive Center Dr Synergy Business Park Columbia SC 29210
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We hereby issue in your favor our irrevocable standby letter of credit for the benefit of Midlands Utility Inc, for one hundred thousand dollars (\$100,000.00) available for your sight draft on Branch Banking and Trust of South Carolina. This Letter of Credit is in support of the Performance Bond between Midlands Utility Inc, and the South Carolina Public Service Commission dated September 26, 2005.

All drafts so drawn must bear the clause "Drawn under Branch Banking and Trust of South Carolina letter of credit number [REDACTED] dated September 26, 2005" which must be accompanied by an official statement from the beneficiary stating that Midlands Utility Inc is in non-compliance with Section 58-5-720 of the South Carolina Code of Laws. In addition, it must state the violations and certify that Midlands Utility Inc was served with proper notice and just cause.

We hereby engage with you that drafts drawn and presented in compliance with the terms of this letter of credit will be duly honored by Branch Banking and Trust of South Carolina if presented to a bank officer at our location on 309 Columbia Ave, Lexington SC 29072 on or before September 26, 2006.

This letter of credit is effective as of September 26, 2005 and shall expire in one year on September 26, 2006.

**CERTIFICATE OF SERVICE**

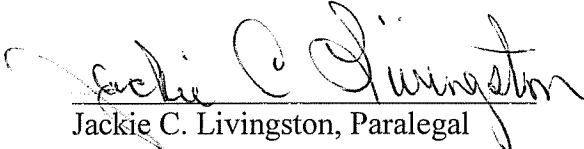
The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the Performance Bond and Letter of Credit on behalf of Midlands Utility, Inc., indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Midlands Utility, Inc. for an approval of  
New Schedule of Rates and Chares for Sewage Service  
provided to its customers in Richland, Lexington, Fairfield  
and Orangeburg Counties.

Docket No.: 2004-297-S

PARTIES SERVED: Florence P. Belser, Esquire  
ORS  
P. O. Box 11263  
Columbia, SC 29211

Wendy B. Cartledge, Esquire  
ORS  
P. O. Box 11263  
Columbia, SC 29211

  
Jackie C. Livingston, Paralegal

September 28, 2005